

CHAPTER II

LITERATURE REVIEW

A. The Previous Research

1. Pupuni (2013)

The title of the study is Marketing Mix Effect on Customer Satisfaction and Repurchasing Behavior (A Case Study on Pepsodent Toothpaste Brand in Denpasar). The purpose of the study is to determine the effect simultaneously and partial marketing mix on consumer satisfaction and repurchase behavior. The data analysis uses quantitative with path analysis method. This study consists of product, price, distribution channels, promotion, and customer satisfaction and repurchase behavior.

This research used questionnaires. The population of this study is consumers from Denpasar and they have used Pepsodent toothpaste. There are 180 respondents involved in this study. Based on the research findings, the researchers conclude that marketing mix consists of product, price, distribution and promotion channels which simultaneously and partially significant affect Pepsodent toothpaste customer satisfaction in Denpasar.

Marketing mix consists of product, price, distribution channels, and promotion which simultaneously have significant effect on Pepsodent toothpaste repurchasing behavior in Denpasar. Marketing mix partially only has significant effect of price on repurchasing behavior, whereas, products, distribution channels and promotions partially do not have significant effect

On the Pepsodent toothpaste repurchasing behavior in Denpasar. Satisfaction has significant effect on the Pepsodent toothpaste repurchasing behavior.

2. Setiawan (2014)

The title of the study is The Marketing Mix Effect on Purchasing Decisions of Toyota Avanza Type G in Surabaya. The purpose of this study is to determine the elements on the marketing mix that includes product, price, location, and promotion that affect purchasing decisions. The element which has the most effect is purchase decision.

The data analysis used quantitative with multiple linear regression analysis. Variables of this study consist of product, promotion, location, price, and purchase decision. This research was conducted by distributing questionnaires to 100 consumers. The results show that product, price, place, and promotion have effect on purchase decision of Toyota Avanza Type G in Surabaya. The dominant factor of purchase decision is product.

3. Suroso (2010)

The title of this study is The Effect of Retail Marketing Mix Variable on Purchase Decision and Customer Satisfaction in Indomaret Mini Market Probolinggo. The research objective is to determine the direct effect of retail marketing mix variable that includes product, price, promotion, services, and physical facilities on purchasing decisions or indirect influence on customer satisfaction by using the purchase decision.

The data analysis used quantitative with path analysis. The research variables consist of product, price, promotion, services, physical facilities, purchasing decisions and customer satisfaction. The sample consisted of 94 Indomaret customers. The results show that the retail marketing mix variable that include product, price, promotion, services and physical facilities have significant effect on the purchase decision. However, retail marketing mix variable that include product, price, promotion, services, physical facilities and purchasing decisions have significant effect on customer satisfaction.

4. Rajh (2005)

Rajh conduct research about The Effects of Marketing Mix Elements on Brand Equity. The purpose is to explore how marketing mix elements affect brand equity. The research method used the quantitative approach. While variables of this research consist of Price, store image distribution intensity, advertising, price deals, sponsorships, brand awareness, brand image, brand equity. The survey was conducted among a sample of 2nd, 3rd, and 4th year undergraduate students of the faculty of Economics and Business in Zagreb, In May and June 2003, The survey included a sample of 424 respondent. The research results indicate that different marketing mix elements impact the creation of brand equity with different levels of intensity, as well as that some elements of marketing mix can negatively affect the creation of brand equity.

5. Jain (2012)

Jain conduct research about identify the essential factors in the marketing mix design (The Case of Personal Protective Equipment). The purpose is to explain is there a methodology that can be incorporated to find the essential factors in marketing mix design. The research method used the both qualitative and quantitative methodologies were incorporated in this study. While variables of this research consist of Place, price, promotion. The cases consisted of manufacturers from PPE industry. Telephone or face to face interview request were sent to 20 personal protective equipment companies, some of which also took part in our survey investigation. It can be conclude that there are several factors which are essential in the marketing mix design of a PPE. By this, we mean, that at least these factors must be present in the market mix design. They maybe supported by other factors.

6. Silfania (2006)

Silfania conduct research about the promotional mix of influences purchasing decisions on PT Jasindo Insurance Malang. The purpose is to knowing and analyze both simulate as well as partial and the dominant influence on purchasing decisions. The research method used the quantitative with approach survey. While variables of this research consist of advertising, sales personal, public relations and publicity, direct marketing and sales promotion. Sample taken with the use accidental sampling. From the results of Research done States that mix promotions includes advertising (X_1), personal sales (X_2), public relations and publicity (X_3), sales promotions (X_4), and marketing direct (X_5) has the influence of the significantly to decision

purchase (Y), while of the five variable in promotional mix the most dominant its influence against the decision of the purchase is variable public relation and publicity (X_3) as well as direct marketing (X_5).

Table1 Mapping Journal Previous Research

| No | The Researcher | Title of Research | Purpose | Research Method | Variables | Sample/Population | Result |
|-----------|-----------------------|--|--|---|--|--|---|
| 1 | Pupuni (2013) | Marketing Mix Effect on Customer Satisfaction and Repurchasing Behavior (A Case Study on Pepsodent Toothpaste Brand in Denpasar) | Determine the effect simultaneously and partial marketing mix on consumer satisfaction and repurchase behavior | The data analysis uses quantitative with path analysis method | Product, price, distribution channels, promotion, and customer satisfaction and repurchase behavior. | The population of this study is consumers from Denpasar and they have used Pepsodent toothpaste. There are 180 respondents involved in this study. | <p>The researchers conclude that marketing mix consists of product, price, distribution and promotion channels which simultaneously and partially significant affect Pepsodent toothpaste customer satisfaction in Denpasar.</p> <p>Marketing mix consists of product, price, distribution channels, and promotion which simultaneously have significant effect on Pepsodent toothpaste repurchasing behavior in Denpasar.</p> <p>Marketing mix</p> |

Continue Mapping Journal Previous Research

| No | The Researcher | Title of Research | Purpose | Research Method | Variables | Sample/Population | Result |
|----|-----------------|---|---|---|--|---|---|
| | | | | | | | partially only has significant effect of price on repurchasing behavior, whereas, products, distribution channels and promotions partially do not have significant effect on the Pepsodent toothpaste repurchasing behavior in Denpasar. Satisfaction has significant effect on the Pepsodent toothpaste repurchasing behavior. |
| 2 | Setiawan (2014) | The Marketing Mix Effect on Purchasing Decisions of Toyota Avanza Type G in Surabaya. | The purpose of this study is to determine the elements on the Marketing Mix that includes product, price, location, and | The data analysis used quantitative with multiple linear regression | Variables of this study consist of product, promotion, location, | This research was conducting by distributing questionnaires to 100 consumers. | The results show that product, price, place, and promotion have effect on purchase decision of Toyota Avanza Type G in |

| No | The Researcher | Title of Research | Purpose | Research Method | Variables | Sample/Population | Result |
|--|-----------------------|--|--|---|---|---|--|
| Continue Mapping Journal Previous Research | | | promotion that affects purchasing decisions. The element which has the most effect is purchase decision. | analysis | price, and purchase decision. | | Surabaya. The dominant factor of purchase decision is product. |
| 3 | Suroso (2010) | The Effect of Retail Marketing Mix Variable on Purchase Decision and Customer Satisfaction in Indomaret Mini Market Probolinggo. | | The data analysis used quantitative with path analysis. | The research variables consist of product, price, promotion, services, physical facilities, purchasing decisions and customer satisfaction. | The sample consisted of 94 Indomaret customers. | The results show that the retail marketing mix variables that include product, price, promotion, services and physical facilities have significant effect on the purchase decision. However, retail marketing mix variables that include product, price, promotion, services, physical facilities and purchasing decisions have significant effect on customer satisfaction. |

| No | The Researcher | Title of Research | Purpose | Research Method | Variables | Sample/Population | Result |
|---|----------------|--|---|--|---|---|--|
| Continue Mapping Journal Previous Research | | | | | | | |
| 4 | Rajh (2005) | The Effects of Marketing Mix Elements on Brand Equity | To explore how marketing mix elements affect Brand equity. | Quantitative approach | Price, Store Image, Distribution Intensity, Advertising, Price Deals, Sponsorships, Brand Awareness, Brand Image, Brand Equity. | The survey was conducted among a sample of 2nd, 3rd, and 4th year undergraduate students of the Faculty of Economics and Business in Zagreb, in May and June 2003. The survey included a sample of 424 respondents. | The research results indicate that different marketing mix elements impact the creation of brand equity with different levels of intensity, as well as that some Elements of marketing mix can negatively affect the creation of brand equity. |
| 5 | Jain (2012) | Identifying the essential factors in the marketing mix design (The case of Personal Protective | To explains there a methodology that can be incorporated to find the essential Factors in marketing | Both qualitative and quantitative methodologies were | Place, price, promotion, | The cases consisted of manufacturers from PPE industry. Telephone or face to face | It can be concluded that there are several factors which are essential in the marketing |

| No | The Researcher | Title of Research | Purpose | Research Method | Variables | Sample/Population | Result |
|--|----------------|-------------------|-------------|-----------------------------|-----------|---|--|
| | | Equipment) | mix design. | incorporated in this study. | | interview requests were sent to 20 personal protective equipment companies, some of Which also took part in our survey investigation. | Mix design of a PPE. By this, we mean, that at least these factors must be present in The market mix design. They may be supported by other factors. |
| Continue Mapping Journal Previous Research | | | | | | | |

B. Marketing Mix

Each company must decide the extent to which it's marketing strategy with the condition that exists. On one side there are companies that use a standardized marketing mix globally around the world. The standardization is the product, advertising, distribution and low cost. On the other side there are adjustments to the marketing mix, in which the manufacturers the elements of the marketing mix for each target market. Marketing mix describes the set of tools that management can use to influence sales. The traditional formulation is called the 4Ps – product, price, place, and promotion (Kotler, 2007:108). Marketing mix are factors that are controlled and can be used by marketing managers in order to affect sales or it could also be interpreted as the company's revenue. The factor are factor product, price, place, and promotion.

1. Product

The product is a crucial element in a marketing program. Product strategy can affect other marketing strategies. The purchase of a product is not merely to have the product but also to meet the needs and desires of consumers. It is a subjective understanding of the product from the manufacturer over something that is offered as an effort to achieve the objectives of the organization through the fulfillment of the needs and desires of consumers, according with the competence and capacity of the organization as well as the purchasing power of the market. Product as anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need (Kotler and Armstrong, 2005:223). “A product is anything that can be offered to the market to look for, owned, used, or

consumed that can satisfy your desires and needs. The product includes a physical object, services, people, places, organizations and ideas”(Kotler and Armstrong, 2005:11).

Use a simple sentence, so it's easy to understand by the reader a product is anything that can be offered to producers note, requested, sought, bought, used or consumed in the market as the fulfillment of the needs or desires of the market concerned, either in the form of goods or services. Product can be measured through (Kotler, 2007:55).

- a. Product Variation
- b. Quality of the product
- c. Product design
- d. Guarantee (warranty) offered
- e. Brand
- f. Design
- g. Nature and attributes characteristics

At this time the company is not only competing with the only resulting product only, but also increasing the competition on the additional aspect of its products, such as aspects of the service, advertising, packaging, delivery, shipping, credit and other factors that could benefit consumers. In planning for a quote or a product, marketers need to understand the five levels of the product (Kotler and Keller, 2007:4).

1. Main products, which is actually needed and the benefits that will be consumed by customers of each product. Rent car in business, the main benefit is purchased the car service and convenience is ready-made.

2. Generic products, namely basic products that are able to affect the most basic product functionality (minimal product designs can serve). For example, rent car business is a business that has a lot of vehicles for rent.
3. Product expectations, which is the official products offered by various attributes and normal conditions (decent) expected and agreed to be bought. For example, customers expect comfortable and clean vehicles.
4. Complementary Products (augmented product), For example the various product attributes that are fitted or added a variety of benefits and services, in order to provide extra satisfaction and bias are distinguished with a competing product. For example, rent car can add facilities TV, audio, service of rent car, and others – other.
5. Product potential, For example all sorts of additions and changes that might be developed for a product in the future.

According to Payne(2000),delivery of products to customers in a timely and accurate with no more response accurate information. Besides, the existence of a good service system consists of three elements, namely:

1. The service strategy, a strategy to deliver services with the best possible quality to customers.
2. The human resourcesthat provide services.
3. The systemof service, procedureorthe procedureto provide services tothose customersthat involves allphysical facilitiesathaveand allthe existinghuman resources.

2. Price

According to Kotler and Keller (2007:179), that affect customer satisfaction, one of which is price. The products have the same quality but provide lower prices would provide more value. Compliance rates with quality also into consideration consumer satisfaction.

The sheer price, the eye depends on the company policy, but of course by considering a variety of things. The expensive, cheap, or good price only for each individual is not to be the same, because it depends on the individual's background by environmental dilators of life and conditions of the individual. In order to be successful in marketing the goods or services, any company must set prices appropriately. The price is one – the only element of the marketing mix that provide income or revenue for the company, while the other three elements (product, distribution, and promotion) causes the incidence of costs (expenditures). In addition the price is the marketing mix elements are flexible, its mean can changed quickly. The case unlike with characteristics of a product or a commitment to distribution channels. The last two things cannot be changed quickly and easily, because it usually concerns the long-term decisions.

Marketing plans must include price considerations. The pricing mix including competition, cost, markups, discounts, and geography. Even if all the other aspects of the marketing mix are perfect, with the wrong price clients will not buy the product. The marketing plan must include consideration on how flexible prices are, lifecycle pricing, who gets discounts, and who pays transportation (Perrault, Jr. and McCarthy, 2004:465).

The price is important because it determines the profitability and viability of the company. Determination of prices is having an impact on the marketing strategy adjustment is taken. The price elasticity of a product will also affect the demand and sales.

Pricing Objectives

Pricing objectives has implications on strategies of competing companies. The purpose of the set should be consistent with the way that the company is in its relative position in the place of the competition. There are basically four types of pricing purposes (Tjiptono, 1997:152).

1. The purpose of profit-oriented, the assumptions of classical economic theory that every company always choose the price that can yield the highest profits. This objective known as maximize of existing profits. In an era of global competition that his condition is very complex and the many variables that influence the profit maximization of existing is very difficult to achieve, because it is difficult to accurately estimate the number of may sales that can be achieved at a given price level. Thus, a company may not be able to know with certainty the price level that can produce the maximum profit.
2. The purpose of oriented on the volume, in addition to profit-oriented objectives, the companies that set prices based on goal-oriented a certain volume or the usual known as the volume pricing objectives. Prices are set in such a way in order to achieve the target sales volume of sales (USD) value or market share (absolute or relative). This goal many

aviation companies, applied by the institution, tour and travel companies, entrepreneurs and business owners of other performances, as well as the organizer of the seminars.

3. Goal-oriented image, of a company can be formed through pricing strategies. Companies can set the price high to form or maintain a prestigious image. Meanwhile, low prices can be used to form the image of a specific value (image of value), for example by providing assurances that its price is the lowest price in a region specific. In fact, both the high pricing and the low prices aimed at improving consumer perception of the overall marketing mix product offerings of the company.
4. The purpose of the stabilization of prices, in a market that consumers are very sensitive to price, if one company lowered its price, the competitors must lower their prices as well. Such a condition underlying the formation of the purpose of established prices in the industry—certain industries whose products are standardized goals of stabilization is done with the set prices to maintain a stable relationship between the price of a company and industry leader price.

The purpose of others, the price can also be established with the aim of preventing the entry of competitors, retain customer loyalty, repeat sales, support or avoid the interference of the government. Nonprofit organization can also set different pricing purposes, for example to achieve partial cost recovery, full cost recovery, or to set a social price.

According to Kotler(2005:18), price is one element of the marketing mix and price have individual components consisting of:

1. List price

The price list is a breakdown of the price listed on the label or product.

2. Discounts

Discount is a reduction in the price of the price list. According to Kotler and Armstrong(2004: 473), can discount many different forms, namely:

- a. Cash discount, the price reduction to buyers who pay their bills early.
- b. Discount amount, is a price reduction to buyers who buying large quantities.
- c. Functional discount (also called merchant discount) offered by the seller to the members of the trade channel to perform certain functions such as selling, storing, and held reporting.
- d. Seasonal discount is a price reduction to buyers who buy merchandise or services outside the season.

3. Distribution Channels

The intended distribution channels (marketing channel, the trade channel, distribution channel) is a route or series of intermediaries, both maintained and independent marketers, in delivering the goods from the manufacturer to the consumer (Tjiptono, 1997:187). The number of intermediaries involved in a distribution channels vary greatly. According to Kotler (2007), there are levels in distribution channels based on the number intermediary:

- a. Zero-level channel, indicating that marketers are not using intermediaries in marketing his product (direct marketing channel).
- b. One-level channel, shows marketers use one type of intermediary.
- c. Two-level channel, meaning wear two types of intermediaries, and so on.

According to Swastha (2003:61), that the function of distribution channels includes eight terms as follows:

- 1. The connection between producers and consumers.
- 2. Distribution channels provide additional functions over the marketing function, such as credit sales.
- 3. Distribution channels participating in price fixing.
- 4. Distribution channels are active in the promotion.
- 5. Through the distribution means consumers can purchase goods and services required.
- 6. Distribution channels can reduce funding and costs.
- 7. Distribution channels as a communicator between manufacturers and consumers
- 8. Distribution channels provide collateral for the goods or services to consumers.
- 9. Distribution channels provide additional services to consumers.

4. Promotion

According to Kotler (2007:88), the promotion is meant: "Promotion includes all of the companies activity undertakes to communicate and promote its product the target market", this state means that includes all of the

promotional activities conducted by a company to inform and promote its products to market share. Promotion is represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, personal selling and sales promotion.

Promotion is one of the factors determining the success of a marketing program. However quality a product, when consumers have never listen to it and not sure that it would be useful to consumers, then consumers would never buy it. Promotion is a form of marketing communications. The definition of marketing communications is a marketing activity that seeks to diffusing information, influencing, and remind target market for the company and its products in order to be willing to receive, purchase, and loyal to the product offered by the company concerned.

Media promotions can be used in business include advertising, sales promotion, publicity and public relations, and direct marketing. Determination of media promotion to be used based on the type and shape of the product itself. Promotion is measured through (Tjiptono, 2000:22)

- 1) Level of quality ads
 - 2) The level of sales promotions
 - 3) The publicity of competitors
 - 4) Public relation
- a. Promotional Purposes

The purpose of the campaign is to inform, influence and persuade, and remind target customers on the company and the marketing mix

(Tjiptono, 1997:221). In detail the third promotional purposes may be outlined as follows:

b. Inform can be:

- 1) Inform the market about the existence of a new product
- 2) Introduce new use way of the products
- 3) Pass on price changes in the market
- 4) Explain the workings of a product
- 5) Inform the services – services provided by the company
- 6) The mistaken impression Straightening
- 7) Reduce fears or worries buyers
- 8) Building a corporate image

c. Persuade target customers to:

- 1) Forming a choice brand
- 2) Switch to certain brands
- 3) Change customer perception of product attributes
- 4) Encourage buyers to spend a moment's notice
- 5) Push the buyer to accept the visit of a salesman

d. Remind, can consist of:

- 1) Remind the buyer that the product concerned is needed in the near future
- 2) Reminding the buyer will place that sells the company's products
- 3) Make buyers still remember even though there is no ad campaign
- 4) keep the memories of the first buyer falls on the company's products

Although in general forms of promotion have the same function, but these form scan be differentiated based specifically tasks. Special tasks or is called promotion mix, according to Peter and Donnelly (2007:111), one of which is: Advertising is any form of presentation and promotion of ideas, goods or non-personal services by a specific sponsor that requires payment

C. Purchase Decisions

Purchase consumer decisions on what is purchased, whether or not to buy, when to buy, where to buy, and how the payout (Sumarwan, 2003:310). Defines the consumer as a decision a decision as an act of ownership of two or more alternative options (Sumarwan, 2003:289).

Purchasing decision is a decision of the consumer as a possession of the action of two or more alternative options regarding the process, the way, the Act of buying, taking into account other factor about what is purchased, the time to buy, where to buy it and how the payout. When buying consumer products in general follow the decision-making process. The process is the introduction of needs, information retrieval, evaluation of alternatives, and purchase behavior of post purchase.

The level of consumer involvement in a purchase influenced by stimuli. In other words, does the person feel involved or not of a specified product does he feel important or not in decision making the purchase of products or services. There are consumers who have high involvement in the purchase of a product or service, and there are also consumers who have low-engagement over the

purchase of a product or service. The actual buying decision covers why and how the attitude of someone in consumer behavior. According to Swastha (2008:102), any decision includes several components:

1) Choose Products

In this case the company must focus on the needs and wants of consumer products, so that it could maximize its appeal.

2) Select Brands

In this case the decision includes criteria and attributes that are contained in the product to be bought.

3) Selecting Sellers

Consumers should take the decision about which brand will be bought. Brand decisions is highly subjective depending on the tastes and desires of the consumers. Company should know the consumer in choosing a brand.

4) Selecting the time of purchase

Consumers should determine where the customers will buy the product. In this case the company must figure out which consumers in choosing an agent his chosen sales agents.

5) Choose the Amount of the Purchase

Purchases may be made in excess of one unit. Consumers will determine how much he's going to buy that product. The company should provide sufficient quantities of products, in accordance with the needs of the consumer.

D. Customer Satisfaction

The main objective of a marketing strategy is an important thing for a company which is a way of achieving the objectives of a company. A quantity is the number of subscribers increased quite significantly from time to time, whereas in the quality that customers who had a productive customers who are able to provide a profit for the company. In Order to achieve that goal can be done in many ways and one of them is through providing customer satisfaction.

Customer satisfaction is the level of one's feelings after comparing performance or perceived results compared to the expectation (Kotler, 1997:36). Consumer satisfaction is the result of (learning outcomes) that was felt over the use of products and services, is equal to or exceeds the desired expectation (Yamit, 2001:78).

1. The Measurement of Customer Satisfaction

According to Kotler (2007:138), customer satisfaction measurement can be done through four:

- 1) A good impression. It means feeling happy or upset someone who comes after comparing between the perceptions or impressions on performance or outcomes of a product and hope. Satisfaction is a function of perception or impression upon the performance and expectations. If the performance were below expectations then the customer is not satisfied. If the performance meets the expectations of the customers will be satisfied. If performance exceeds the expectations

of the customers will be very satisfied or pleased. The key to which customer is faithfulness counts for providing value customers is high.

- 2) Share positive information. Creation of customer satisfaction may provide some benefits, such as the relationship between companies and customers become harmonious, provide a good basis for the purchase and the creation of customer loyalty and constitute a recommendation by word of mouth that is profitable for the company.
- 3) No Complain. Customer satisfaction is influenced by the characteristics of the specific product or service and by the perception of quality. In addition customer satisfaction is also influenced by the emotional responses of customers and customer attributes.

According to Kotler (2001:231), there are two theory of satisfaction:

- a. Performance Expectations Theory

Consumer satisfaction is a function of consumer expectations and the expected results. If the results obtained as expected then consumers will be satisfied, if the results obtained more than expected then the consumers will be very satisfied and if the result obtained is not like what is expected, then the consumer is unsatisfied.

- b. Theory of Cognitive Mismatch

Almost every option tends to make the mismatch after the transaction, for example, is how much the inconvenience incurred and what consumers do to resolve it

2. The Factors that Influence Customer Satisfaction

According to Palace (2010:19), there are a number of factors that influence customer satisfaction, among other things:

- a. Recommended products and services (including an employee who is very helpful and polite, the room comfortable, the transaction means a pleasant service and so on)
- b. Customer Emotions (State of mind or feeling or life satisfaction)
- c. The attribution for success or failure of the service (assessment of the merits of better or more poorly than expected)
- d. The perception of fairness and justice (equity and fairness).
- e. Other customers, families and co-workers, for example, the satisfaction of family vacation trip is a dynamic phenomenon of affected by reaction and expression by family members during the holidays.

E. Relationships between Variables

1. The Influence of Product Influence on Purchase Decision and Customer Satisfaction

Product is a set of attributes of both tangible and intangible, including the problems of color, price, reputation of the company and service company that received by the buyer in order to satisfy his desire (Alma, 2004:139). Consumer satisfaction is the extent to which the benefits of a product perceived in accordance with what is expected of customers (Amir, 2005).

Consumers buy not just a collection of physical attributes, but the goal they pay something to satisfy. Thus, for a company that sells the benefits

wisely not just the product alone product (essentially benefits) but should constitute a system. If someone needs a product, it would first imagine the benefits of the product. After it had to consider other factors beyond the benefits of the product. The factors that make consumers take a decision to buy or not (Angipora, 2002:152).

It can be concluded from these definitions that the product is a form of tangible or intangible. Products directly aiming to offer the advantages and benefits of a particular product by the company. So that when a product is required by the consumer, the consumer will take a purchase decision, and will feel satisfied because the product has been in accordance with their needs, and vice versa if the product is beyond the needs of consumers, the consumers will not be making a purchase decision.

2. The influence of price on the purchase decision and Customer Satisfaction

According to Tandjung (2004:78), price is the amount of money that has been agreed upon by potential buyers and sellers in exchange for goods or services within the normal business transaction". Price is one of the elements of the marketing mix, according to the nature of the marketing mix, price is a variable that can be controlled by the company. In addition the price also determines whether or not a product is accepted by consumers.

Companies need to monitor the price set by the competitors that the price specified by the company is not too high or vice versa, so that then the price offered can lead to the desire of consumers to make purchases (Angipora, 2002:268).

In determining customer satisfaction on factors to be considered by the company. The price, which is a product that has the same quality but set a relatively cheap price would give a higher value to customers, factors - factors driving customer satisfaction .The price, for customers that sensitive, typically low price is an important source of satisfaction because customers will get value for money is high (Lupyoadi, 2001).

According to Irawan (2004:37), It can be concluded from this definition that the price is the amount of money that will be paid by the consumer to buy a product or service, price decisions directly affect sales and customer satisfaction because if the price offered is not too high, it will lead to the desire of consumers to buy and low prices will satisfy customers. Conversely, if the price is too high level of purchasing power and buyers will descend impact on the customer satisfaction.

3. The influence of promotion on the purchase decision and Customer Satisfaction

Promotion is a company's communication process with interested parties now, and that will be relationship and community (Kotler, 2005:247).The main function of a promotion strategy is to convince marketers to target customers that the goods and services offered has distinct advantages compared to competitors, so that it can attract consumers to make purchases, the promotion influence on purchase decisions (Lamb, et.al, 2001:146).

It can be concluded from these definitions that the order for the company to successfully sell products or services offered, marketers must be able to communicate some information about the company to the consumer, the promotion of electronic media and print media to convince target customers are offered under the goods and it has an advantage and match what required by the customer. Good promotion will use customers to increase purchases and customer satisfaction also increased.

4. The influence of distribution channel on the purchase decision and Customer Satisfaction

Distribution channel is a path traversed by the flow of goods from manufacturer to middleman and finally to the use of (Angipora, 2002:295). Distribution with respect to the delivery of products to consumers. Marketing management have a role in evaluating the performance of the dealer. When companies are planning a particular market, the first thought is who will be appointed as a dealer there. Rapid product and equitable to consumers, then the effect on the consumer's decision to purchase (Lamb, et.al, 2001:8).

It can be concluded from these definitions that the distribution channel influence on purchasing decisions and customer satisfaction. Distribution services that are very easy to be fast up to the customer. This will improve purchasing decisions and customer satisfaction.

5. The Influence of the Purchase Decision on Customer Satisfaction

Explain that customer satisfaction is a form of feelings that arise after the consumer purchases the product and compare the results from the use of this product in the hope of previously owned.

According to by Kotler and Armstrong (1997:160), is called the complex buying behavior is when they are actually engaged in the purchase, through the learning process, develop confidence in the product and attitude, and then make a purchasing choice. The decision process performed by irrational because it is based on an understanding of information that can't be trusted, in the end the results are not satisfied, but the discontent that will lower demand for such products in the future (Dapkevičius and Melnikas, 2009:20).

It can be concluded from these definitions that customer satisfaction is influenced by purchasing decisions. After consumers know the product, price, distribution channels and promotion that's when purchase decisions are made after actually making a purchase then the new consumer satisfaction.

F. Research Model and Hypothesis Formulation

Marketing mix

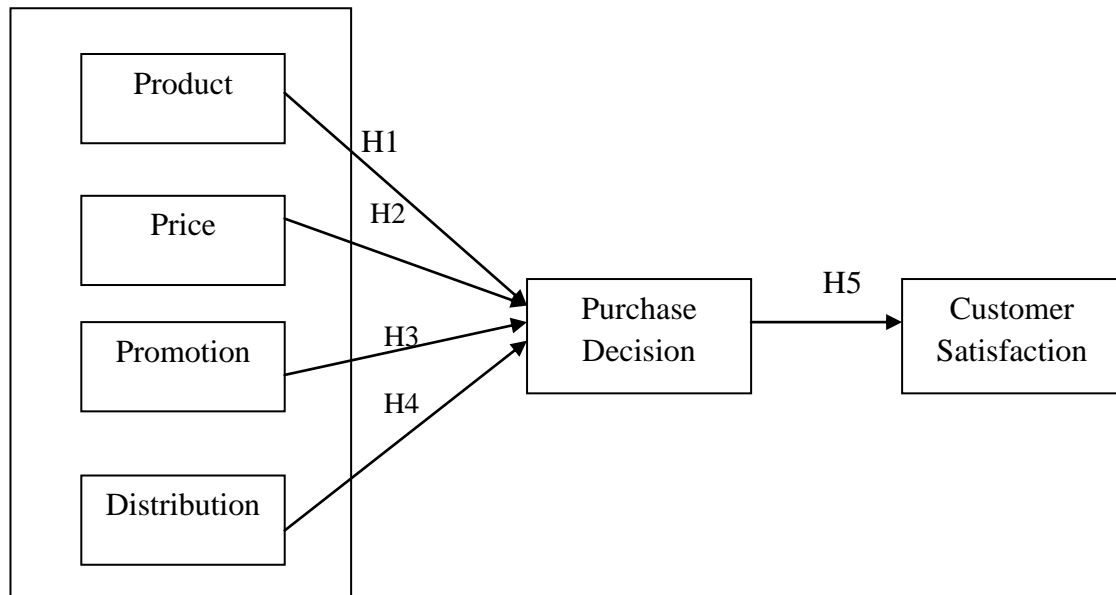


Figure 1: Research Model

Hypothesis Formulation

- H1: Product variable has significant influence on purchase decision and customer satisfaction
- H2: Price variable has significant influence on purchase decision and customer satisfaction
- H3: Promotion variable has significant influence on purchase decision and customer satisfaction
- H4: Distribution channel variable has significant influence on purchase decision and customer satisfaction
- H5: Purchase decision variable has significant influence on customer satisfaction